

Message Text

CONFIDENTIAL

PAGE 01 BONN 17512 071935Z

64

ACTION EB-06

INFO OCT-01 SS-14 ISO-00 EUR-08 NEA-06 IO-03 INR-05 L-01

SP-02 NSC-05 NSCE-00 CIAE-00 OES-02 OIC-01 RSC-01

/055 W

----- 025803

R 071922Z NOV 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6137

INFO AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

AMEMBASSY LUXEMBOURG

AMEMBASSY DUBLIN

AMEMBASSY PARIS

AMEMBASSY COPENHAGEN

AMEMBASSY ROME

AMEMBASSY LONDON

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

C O N F I D E N T I A L BONN 17512

LIMDIS

E.O. 11652: GDS

TAGS: ETRD, EEC, IR

SUBJECT: EC-IRAN PREFERENCES: INSTRUCTIONS FOR
ADDITIONAL REPRESENTATIONS

REF: STATE 241510

1. I AGAIN CALLED ON FONOFF STATE SECRETARY SACHS ON
NOVEMBER 6 TO REITERATE MY EARLIER POINTS ON THE FRG
REFINERY ARRANGEMENT WITH IRAN (BONN 12282). I TOLD
SACHS THAT I HAD BEEN PUZZLED BY REPORTS THAT THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 17512 071935Z

SERIOUSNESS OF US CONCERNS ON THE PROPOSED PREFERENTIAL

ARRANGEMENTS WAS INADEQUATELY UNDERSTOOD AND EXPLAINED THAT I WAS CALLING AGAIN TO RESTATE THESE CONCERNS.

2. IN THE FIRST PLACE, I TOLD HIM OF OUR RESERVATIONS CONCERNING THE CONSISTENCY OF THE GERMAN PROPOSAL WITH THE GATT. I ALSO POINTED OUT THE INADVISABILITY OF EACH OF US MAKING PREFERENTIAL BILATERAL ARRANGEMENTS OF THIS KIND FROM THE OVERALL VIEWPOINT OF ENERGY POLICY.

3. SACHS EXPRESSED SURPRISE THAT ANYONE SHOULD DOUBT THE SERIOUSNESS OF THE US OBJECTIONS TO THESE PROPOSALS. HE RECALLED MY EARLIER CALL AND OTHER EMBASSY REPRESENTATIONS, AS WELL AS WASHINGTON REPRESENTATIONS, ALL OF WHICH WERE KNOWN IN BRUSSELS AND ELSEWHERE AMONG COMMUNITY MEMBERS. SACHS ASSURED ME THAT THE FRG WAS AWARE OF OUR POSITION ON THE PROLIFERATION OF PREFERENTIAL ARRANGEMENTS BY THE EC AND WANTED TO RESPECT OUR VIEW. FOR THAT REASON THE GERMANS WOULD OPPOSE THE DANISH FREE TRADE AREA PROPOSAL WITH IRAN. HE RECALLED THAT ORIGINALLY THE FRG HAD PROPOSED A SPECIAL REGIME ON REFINED PRODUCTS ONLY FOR IRAN. THIS MET WITH STRONG OPPOSITION FROM THE FRG'S COMMUNITY PARTNERS. SACHS SAID THAT IN ALL FRANKNESS THE FRG COULD NOT AGREE WITH OUR POSITION ON BILATERAL JOINT VENTURES. HE SAID IT WAS IMPORTANT TO CREATE IN THE OIL PRODUCING COUNTRIES A VESTED INTEREST IN THE CONTINUED SUPPLY OF PETROLEUM TO CONSUMING COUNTRIES.

4. SACHS SAID THAT THE FRG HAD RECENTLY SUBMITTED A PAPER TO THE COMMISSION WHICH CALLED FOR AN "ERGA OMNES" APPROACH. AS WE UNDERSTAND THIS APPROACH, PREFERENTIAL TREATMENT WOULD BE GIVEN ALL COUNTRIES HAVING COOPERATION AGREEMENTS WITH THE PROSPECTIVE IMPORTER. HE THOUGHT THIS OUGHT TO SATISFY OUR GATT CONCERNS.

5. OUR STRONG RESERVATIONS AS TO THIS APPROACH WERE MADE BOTH TO SACHS AND LATER BY THE ECONCOMMIN TO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 17512 071935Z

LOECK (WHO WAS WITH SACHS).

6. SACHS REMARKED THAT GERMAN PROBLEMS WITH THIS PROJECT DO NOT STOP WITH TRADE POLICY. THERE IS NO CERTAINTY AT ALL THAT THE PROJECT WILL GO THROUGH UNDER ANY CIRCUMSTANCES. THERE ARE A NUMBER OF PROBLEMS HAVING TO DO WITH THE SUITABILITY OF THE LOCATION OF THE REFINERY, PRICES, ETC., WHICH MAY

KILL THE PROJECT IN THE END. THE NEXT ROUND OF TALKS
WITH THE IRANIANS, WHICH WILL BE DIFFICULT, IS PLANNED
AT THE EARLIEST TO TAKE PLACE IN JANUARY.
HILLENBRAND

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, PETROLEUM, DUTY FREE ENTRY, TRADE AGREEMENTS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 07 NOV 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BONN17512
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740320-1107
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741164/aaaacccm.tel
Line Count: 119
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: STATE 241510
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by martinml>; APPROVED <08-Aug-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC-IRAN PREFERENCES: INSTRUCTIONS FOR ADDITIONAL REPRESENTATIONS
TAGS: ETRD, IR, US, EEC, (SACHS)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005